

July 2008

South Dakota FSA News

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Farm Bill Informational Meetings

The Food, Conservation, and Energy Act of 2008 (2008 Act), Pub. L. 110-246 was effective May 22, 2008 and enacted into law on June 18, 2008. The 2008 Act created several new disaster programs.

State Executive Director Steve Cutler will be doing farm bill informational meetings as shown below. Producers, land owners, ag businesses and ag lenders are all encouraged to attend. These meetings will provide important deadlines and information on new programs and changes to existing programs followed by question and answer sessions.

Date	Event	Time	Location
July 29, Tuesday	Info Meeting	7:30 p.m.	Extension Center, Watertown
July 30, Wednesday	Info Meeting	2:00 p.m.	New JoDeans, Yankton
August 5, Tuesday	Info Meeting	7:30 p.m.	4-H Building, Forestburg
August 7, Thursday	Info Meeting	2:00 p.m. MT	New Underwood Community Center
August 7, Thursday	Info Meeting	5:00 p.m. MT	Wall Community Building
August 9, Saturday	Harvest Days	4:00 p.m.	Britton/Hecla Auditorium
August 11, Monday	Potter County Fair	4:00 p.m.	Gettysburg Fairgrounds
August 12, Tuesday	Brown County Fair	11:00 a.m.	Kessler Tent, Aberdeen Fairgrounds
August 13, Wednesday	Info Meeting	7:00 p.m.	Miller High School Theater
August 14, Thursday	Turner County Fair	1:30 p.m.	Parker Fairgrounds
September 3, Wednesday	Info Meeting	1:00 p.m.	Extension Building, Howard

Please contact any local FSA office for more information. The USDA-FSA public website is a good resource for Farm Service Agency program information. This website also provides links to USDA-FSA press releases and FSA Program Fact Sheets. You can search for specific program information or search for programs applicable for land owners, farm operators, conservation programs and several other factors. The FSA website is found at: www.fsa.usda.gov

Important Deadlines:

June 25, 2008

Signup for 2008 DCP Began

August 1, 2008

Deadline for requesting 2008 Farm Reconstitution

September 16, 2008 Buy-In Fee Due, Supplemental Disaster Programs

September 30, 2008 Deadline for filing signatures for DCP

Buy-In Waiver for Supplemental Ag Disaster Assistance Programs: Buy-In Fee Due 9/16/08

The 2008 Act requires producers who wish to participate in the new disaster programs to have crop insurance or non-insured crop disaster assistance (NAP) coverage for the land for which assistance is being requested, and for all farms in all counties in which they have an interest. Since the 2008 Act was enacted after the application periods had closed for those programs, producers who did not have such coverage could not comply with this requirement in order to be eligible for the new disaster programs. However, the 2008 Act authorizes a waiver that allows producers to pay a fee, called a "buy-in" fee, to be eligible for this new disaster assistance.

Every producer whose crops, including grazing lands, are not fully covered by crop insurance or NAP may take advantage of this one-time opportunity. The buy-in fee is due no later than Sept. 16, 2008, 90 days after the date of enactment, as required by the 2008 Act. Those who miss this opportunity will not be eligible for disaster assistance. Producers are also reminded that the payment of the applicable buy-in fee does not afford the producer crop insurance or NAP coverage; it only affords eligibility for the 2008 disaster programs.

The crop insurance and NAP coverage requirements will be waived in 2008 for producers who did not obtain crop insurance or NAP coverage by the applicable sales closing date, if the producer files an application for waiver and pays a buy-in fee in an amount equal to the 2008 applicable NAP coverage or catastrophic risk protection plan fee for the crop or grazing lands.

Producers who meet the definition of "Socially Disadvantaged, Limited Resource," or "Beginning Farmer or Rancher," do not have to meet the Risk Management Purchase Requirement, and, therefore, are not required to pay the buy-in fee.

The buy-in fee for 2008 eligibility only for either the catastrophic risk protection insurance (CAT) or NAP is \$100 per crop, but not more than \$300 per producer per administrative county, or \$900 total per producer for all counties less any previously paid fees for CAT and/or NAP. Producers can contact their local administrative FSA County Office to file the application for waiver and pay the applicable fees.

The applicable buy-in form must be completed and applicable fees paid by Sept. 16, 2008. Payment of the applicable fees will allow the producer to be eligible for benefits for losses under Supplemental Revenue Assistance Payments (SURE) Program, Livestock Forage Disaster Program (LFP), Tree Assistance Program (TAP), and Emergency Assistance Livestock, Honeybees and Farm-Raised Fish Program (ELAP).

The 2008 Act authorizes funds to be used to make payments to farmers and ranchers incurring eligible crop production/quality losses under the SURE Program, grazing losses under LFP, livestock death losses under LIP, and losses suffered by producers of livestock,

honeybees, and farm-raised fish under ELAP. The 2008 Act also authorizes TAP.

To be eligible for SURE, TAP, and ELAP, producers must meet the Risk Management Purchase Requirement by purchasing at least the CAT level of crop insurance for all insurable crops and/or NAP coverage for non-insurable crops. To be eligible for LFP, producers must meet the Risk Management Purchase Requirement by purchasing or obtaining for the grazing land incurring the losses where assistance is being requested, a policy or plan of insurance under the Federal Crop Insurance Act, including pilot programs such as the Pasture, Rangeland, Forage Program (PRF) or NAP coverage by filing the required paperwork and paying the administrative fee by the applicable State filing deadline. The Risk Management Purchase Requirement does not apply to LIP.

The SURE program will be available to eligible producers on farms in disaster counties, designated by the Secretary, including contiguous counties that have incurred crop production losses and/or crop quality losses during the crop year. However, Congress determined that payments would not occur until the calculation at the end of the marketing year. It also will be available to any farm where, during the calendar year, the total loss of production on the farm, because of weather, is greater than 50 percent of the normal production of the farm.

The LFP program will be available to eligible livestock producers who suffered grazing losses for eligible livestock, because of drought on land that is either native or improved pastureland with permanent vegetative cover or planted to a crop specifically for providing grazing. The LFP program will also be available to eligible livestock producers who suffered grazing losses for eligible livestock, because of fire on rangeland managed by a Federal agency, if the eligible livestock producer is prohibited from grazing the normal permitted livestock on the managed rangeland.

The LIP program will be available to eligible livestock producers on farms that have incurred livestock death losses in excess of normal mortality, because of adverse weather, as determined by the Secretary during the calendar year, including losses because of hurricanes, floods, blizzards, disease, wildfires, extreme heat and extreme cold.

The TAP program provides assistance to orchardists and eligible nursery tree growers who produce nursery, ornamental, fruit, nut or Christmas trees for commercial sale that lost trees, bushes, or vines, because of a natural disaster, as determined by the Secretary.

The ELAP program will provide emergency relief to producers of livestock, honey bees and farm-raised fish, because of losses from adverse weather or other conditions, such as blizzards and wildfires, as determined by the Secretary.

Quality Loss Crop Disaster Program Signup Began June 23

Farmers may apply for Quality Loss Crop Disaster Program (CDP) benefits at their local FSA office beginning June 23, 2008. The Quality Loss CDP provides benefits to farmers who suffered quality losses to their 2005, 2006, or 2007 crops due to natural disasters. Farmers may receive CDP benefits for only one of the three years. To be eligible for quality loss benefits, the producer must have:

- had crop insurance or Noninsured Crop Disaster Assistance program (NAP) coverage for the year that the quality loss occurred;
- suffered at least 25 percent quality losses
- obtained an acceptable quality test no later than January 1 of the year following harvest.

The payment rate is set at 65 percent of the amount of the affected crop multiplied by 42 percent of the per-unit average market value in the year in which the loss occurred.

The quality payment will be calculated separately from the quantity payment. However, if quantity benefits have already been received, the total benefits received from both quantity and quality may not exceed the \$80,000 payment limitation.

To substantiate the level of quality loss, applicants must supply verifiable production records to the FSA county committee. Verifiable production records shall include the quantity of production, level of quality loss, and the price received from the buyer. Verifiable production records include, but are not limited to: commercial receipts, settlement sheets, warehouse ledger sheets, load summaries or acceptable forage test.

2008 Direct and Counter-Cyclical Program (DCP)

The Food, Conservation and Energy Act of 2008 provides for continuing the Direct and Counter-Cyclical Program for 2008 through 2012. Signup for DCP began on June 25, 2008 and will continue through September 30, 2008.

New for 2008 is the prohibition of DCP direct and counter-cyclical payments on farms with base acres equal to 10 acres or less unless the farm is wholly owned by a socially disadvantaged or limited resource farmer or rancher.

The 2008 Advance Direct payment for DCP is equal to 22% of the guaranteed payment for the farm and will be paid during the month in which the eligible applicant elects to receive it.

By signing the DCP contract applicants are acknowledging receipt of the CCC-509 appendix and agreeing to abide by the terms and conditions therein. The appendix also includes provisions for certifying compliance with the Adjusted Gross Income provisions for 2008.

Counter-cyclical payments are authorized for a covered commodity when the higher of the national average market price or national loan rate plus the direct payment rate for the commodity is less than the target price of the commodity. Advance payments will be available at the discretion of the Secretary and subject to estimated market prices for the commodity.

Farmers and Ranchers interested in enrolling in the DCP should contact their local FSA Office for more specific details.

Additional information can be found on the web at <http://www.fsa.usda.gov/dcp>.

2008 Recons

As of May 22, 2008 the 2008 Farm Reconstitution provisions have been changed to reflect that reconstitution requests of farms having base acres of 10 acres or less may not be approved if the request is received after May 22, 2008. Exceptions to this rule include:

- If the owner of the farm has been notified of the reconstitution prior to June 24, 2008
- Farms having base acres of 10 acres or less may be combined with another farm if one of the farms undergoes a change in landownership if the owners of each of the farms involved in the combination are identical and have identical shares in both farms.

The deadline for producers/owners to request a farm reconstitution for program year 2008 is August 1, 2008.

CRP Continuous Signup

Environmentally desirable land devoted to certain conservation practices may be enrolled in CRP at any time under continuous sign-up. Offers are automatically accepted provided the land and producer meet certain eligibility requirements. Producers enrolled in CRP plant long term, resource conserving covers to improve the quality of water, control soil erosion, and enhance wildlife habitat. In return, FSA provides participants with rental payments and cost share assistance. In addition incentive payments are available on many of the CRP practices.

Acreage that is currently under CRP contract that will be expiring September 30, 2008 may be reenrolled under continuous sign-up provisions if all or part of the acreage meets one of the current continuous sign-up specifications. Some of the practices available under continuous sign-up are riparian buffers; wildlife habitat buffers; wetland buffers; filter strips; wetland restoration; grass waterways; shelterbelts; living snow fences; salt tolerant vegetation; shallow water areas for wildlife; and public wellhead areas.

To offer land for continuous sign-up, producers should contact their local FSA offices.

SD State FSA Office
200 4th St SW
Huron, SD 57350



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CRP SAFE Acres

South Dakota received an additional 30,000 acre allocation for the State Acres for Wildlife Enhancement (SAFE) Pheasant Practice, and now has a 50,200 acre SAFE allocation. 35,000 acres have already been approved in the pheasant targeted area and counties will be able to approve contracts until the 50,200 acre limit is reached. SAFE practices were developed by local non FSA agencies and groups targeting areas of the State to provide block grass acreages for ring-necked pheasants and other upland birds in counties east of the Missouri River plus Jones, Stanley, Gregory, Tripp and Lyman. A second project to establish sagebrush habitat suitable for sage grouse and other sagebrush obligate such as sage sparrows and sage thrasher is available in parts of Harding and Butte counties. Interested producers should contact their local FSA Office for more information.

CRP Critical Feed Use (CFU) ON HOLD-Awaiting Judge Decision

CFU was authorized on May 27 allowing certain CRP acreage to be available for hay and forage after the primary nesting season ends for grass-nesting birds. This authority was only for 2008. A Federal Judge granted a Temporary Restraining Order (TRO) against the CFU program and effective July 8, 2008, all authority is suspended to process CFU requests until modified by the court. All CFU action and activity is on hold until a

court decision is reached; a hearing is set for July 17. Contact your local FSA office for current information.

Farm Loan Programs

FSA's Farm Loan Program lending authorities for Direct Farm Ownership (FO) and Direct Farm Operating (OL) loans were changed with the passage of the farm bill. The maximum amount of indebtedness for Direct FO or OL loans was increased from \$200,000 to \$300,000.

The requirements of the FO Down Payment loan program were revised by including socially disadvantaged farmers in addition to beginning farmers and decreasing the amount of cash down payment required by the applicant from 10% to 5% of the purchase price. In addition, the term of the loan was increased from 15 years to 20 years and the maximum amount of the down payment loan was changed from \$100,000 to an amount not exceeding 45% of the lesser of the purchase price of the farm, the appraised value, or \$500,000, thereby, resulting in a maximum loan of \$225,000.

FSA makes direct and guaranteed loans to eligible family size farmers/ranchers who can not obtain commercial credit from a private lender. FSA also makes loans to individual rural youth to finance income-producing agricultural related projects. The maximum amount for youth loans is \$5,000.

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